App. No. 09/823,583 Amendment Dated December 21, 2004 Reply to Office Action of September 21, 2004

Amendments to the Abstract:

Please replace the Abstract as follows below.

"An adaptive equalizer system and method uses an averaging algorithm to adjust equalization and amplitude for a data signal. Two sampled data points, spanning a sampling window, are obtained from the equalized signal. The data points are evaluated to determine when a signal condition persists long enough to require equalization adjustment, as well as evaluating persistent conditions in the amplitude of the received data signal. By monitoring persistent conditions in the equalized signal, the average signal received by the equalizer is compensated. The bit resolution of the equalizer control and the amplitude control can be selected for a desired resolution in a system. The incoming data signal is used to generate the requisite timing signals for sampling and control such that high frequency clock circuits and PLL techniques are unnecessary resulting in lower power consumption and reduced costs."